



THE *Tobacco* SITUATION

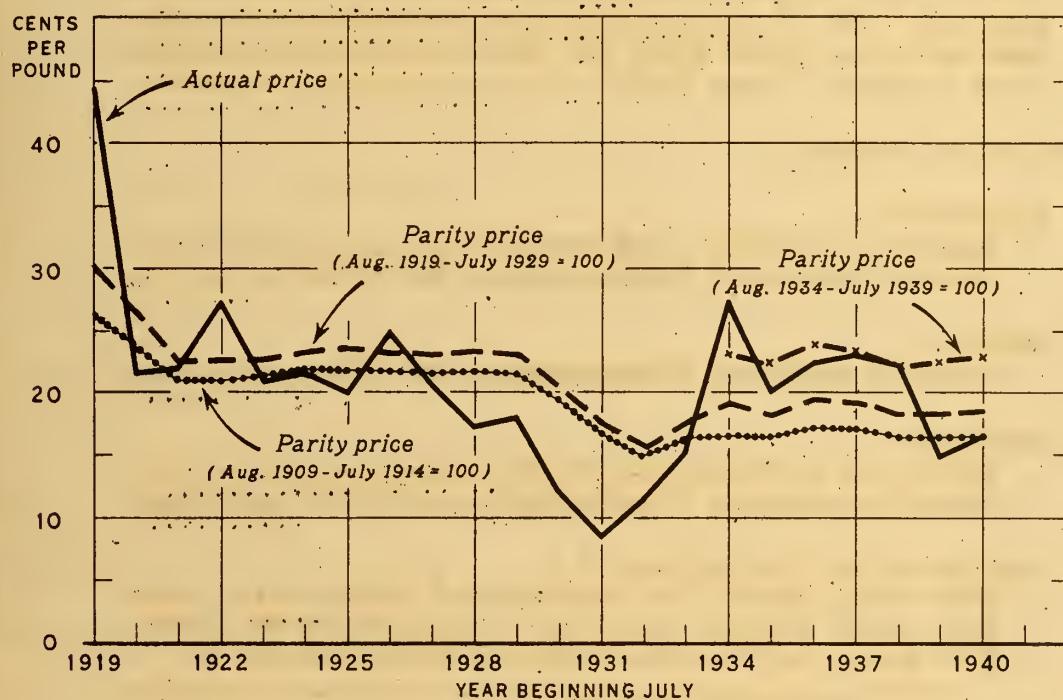
BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

TS-19

BAE

JULY 1941

FLUE-CURED TOBACCO: PRICE RECEIVED BY FARMERS AND PARITY PRICES, UNITED STATES, 1919-40



U. S. DEPARTMENT OF AGRICULTURE

NEG. 39355 BUREAU OF AGRICULTURAL ECONOMICS

LEGISLATION RECENTLY ENACTED BY CONGRESS REQUIRES LOAN OFFERS TO PRODUCERS OF ALL TOBACCO TYPES ON THE 1941 CROP. THE LAW PROVIDES THAT LOANS MUST BE OFFERED ON TYPES FOR WHICH PRODUCERS HAVE NOT DISAPPROVED MARKETING QUOTAS FOR 1941. ALL TOBACCO QUOTAS RECOMMENDED LAST YEAR WERE APPROVED. LOANS ARE TO BE MADE AT 85 PERCENT OF PARITY TO PRODUCERS WHO ARE COOPERATORS WITH RESPECT TO THE MARKETING QUOTAS. LOANS AT 60 PERCENT OF THIS RATE ARE AVAILABLE TO NON-COOPERATORS, BUT ONLY ON TOBACCO SUBJECT TO PENALTY IF MARKETED.

THE CHART ABOVE SHOWS ACTUAL PRICES RECEIVED BY FLUE-CURED PRODUCERS COMPARED WITH PARITY PRICES AS CALCULATED ON THREE DIFFERENT BASES. THE AUGUST 1909-JULY 1914 BASE, USED FOR MOST MAJOR COMMODITIES, WAS NEVER EMPLOYED FOR TOBACCO. INSTEAD, THE 1933 ACT PROVIDED THAT AUGUST 1919-JULY 1929 BE THE BASE FOR ALL TOBACCO. IN NOVEMBER 1940, THE BASE FOR FLUE-CURED AND BURLEY WAS CHANGED BY LAW TO AUGUST 1934-JULY 1939, WITH THE RESULT INDICATED.

CONTENTS

Charts:

Page

Flue-cured price received by farmers and parity prices ..	Front cover page
Flue-cured supply and price	Following page 33
Flue-cured exports from the United States, by countries ..	Following page 33
Exports from the United States, by types	Inside back cover page

Summary statement	3
-------------------------	---

Discussion by classes and types:

Flue-cured, types 11-14	5
Burley, type 31	9
Maryland, type 32	11
Dark tobaccos, types 21-24 and 35-37	13
Cigar tobaccos, types 41-62	17

Statistical tables:

Flue-cured -

Exports by countries and months	7
Domestic supplies, disappearance, and price	9

Burley -

Domestic supplies, disappearance, and price	10
---	----

Maryland -

Exports by countries and months	11
Domestic supplies, disappearance, and price	12

Fire-cured and dark air-cured -

Fire-cured exports by countries and months	15
Fire-cured domestic supplies, disappearance and price	16
Dark air-cured domestic supplies, disappearance and price	16

Cigar types -

Domestic supplies, disappearance and price	19
Supplies, disappearance and price, Puerto Rican tobacco	22
Consumption of cigars in the United States, by classes	22

General data -

Tax-paid withdrawals of tobacco products	23
Production of manufactured tobacco	23
Exports by types, crop-year basis	23
Acreage and production, by types	24
Average yield per acre, by types	25
Stocks of foreign-grown cigar leaf in United States ..	26
Stocks of foreign-grown cigarette leaf in United States ..	27
Exports of tobacco, by countries and types	28
Exports and shipments of tobacco products	32
Imports of tobacco, by countries	33

THE TOBACCO SITUATION

Summary

The 1941-42 marketing season for flue-cured tobacco will open on August 5 with a supply of more than 2,300 million pounds -- the largest on record. Crop conditions on July 1 indicated a 1941 flue-cured crop of 716 million pounds. Acreage planted was less than the allotted acreage for this type but yields continue to be high. The indicated crop is about 40 million pounds less than the 1940 crop, but this decrease in current production is more than offset by the estimated increase of about 183 million pounds in the current carry-over.

Exports of flue-cured for the 11 months ended May 31, 1941 totaled 122.3 million pounds, a decline of 49 percent from exports during the same period in 1939-40. Exports to the United Kingdom under the provisions of the Lend-Lease Act began in April. The shipments are being made from Commodity Credit Corporation purchases and loan collateral of the 1939 crop of tobacco, and are expected to continue, possibly at an increasing rate, for some time. Export figures by countries are no longer being released.

The Commodity Credit Corporation will again engage in a dealer loan and purchase program for flue-cured. For the first time, producer loans will be offered to flue-cured growers. The new program will be the first under the terms of new legislation requiring the offer of loans to growers this year at 85 percent of parity. Loan offers must be made if growers have not voted to reject a marketing quota, and all quotas proclaimed last year were approved by tobacco producers. Growers cooperating with the marketing quota are entitled to loans at the full 85-percent rate. Non-cooperating growers can obtain loans at 60 percent of the full rate on as much of their tobacco as would be subject to penalty if marketed.

Producer loans will be based upon Government grades; and with a normal distribution of grades in the 1941 crop, the Commodity Credit Corporation programs will endeavor to maintain the season average price at about 19.6 cents, which is 85 percent of the June 1941 parity of 23.1 cents.

The total supply of Burley is expected to be about the same this year as last. The 1941 Burley crop is indicated at about 325.4 million pounds. Plantings are well within the marketing quota for this type. The Maryland crop is expected to total about 33 million pounds, 1 million larger than that of last year. The 1940 Maryland crop, now being marketed, is selling for the highest prices on record. Production of both fire-cured and dark air-cured tobaccos is down sharply since last year, largely because of smaller acreage under the marketing quotas approved last fall. The 1941 fire-cured crop is indicated at 71.0 million pounds, 31 percent less than last year's crop. Production of dark air-cured types in 1941 is expected to be 31.1 million pounds, 26 percent less than the production last year.

The supply of domestic cigar tobacco in 1941 is estimated to total approximately 436 million pounds, 6 million pounds less than the 1940 supply. Both 1941 production and October 1 stocks are expected to be slightly less this year than last. Cigar consumption during the year ended June 30, 1941 was the highest since the 12 months ended June 30, 1931, and is expected to remain on a high level during the next year.

Domestic consumption is marked by continued large increases in withdrawals of small cigarettes. All major products showed increases in consumption, with the exception of a small decline in plug chewing tobacco. The outlook continues to be favorable for the coming year. With the exception of the beginning of Lend-Lease shipments to the United Kingdom, there is no major change in the unfavorable export outlook.

FLUE-CURED, TYPES 11-14

Sales start August 5

The 1941 flue-cured marketing season will begin August 5 with the opening of markets in the Georgia-Florida area (type 14). The markets for the other types will open as follows: South Carolina (type 13) on August 12; Eastern North Carolina (type 12) on August 26; Middle Belt (type 11-B) on September 9; and the Old Belt markets (type 11-A) on September 16.

Smaller crop likely; early drought

In spite of a 1.6 percent increase in plantings from 736,000 acres in 1940 to 747,700 acres expected to be harvested this year, the 1941 flue-cured crop may be substantially reduced. July 1 indications are that the crop will total 716.2 million pounds, 5 percent less than the 1940 production of 755.8 million pounds. The acreage for harvest is well within allotments under the marketing quota of about 761,600 acres.

With the single exception of the yield in 1940 (1,027 pounds per acre), the present indicated yield (958 pounds) is the highest on record. This yield has been attained in the face of highly unfavorable early growing conditions. Drought interfered with the growth of plants in seedbeds, and later made transplanting difficult, necessitating considerable resetting. The season on the whole has been a late one, and considerable change may take place in the size and quality of the crop between the July 1 survey and final harvesting.

Commodity Credit Corporation program
again in effect

As in 1939 and 1940, the Commodity Credit Corporation will this year conduct a loan and purchase program for flue-cured tobacco. Loans will be made to domestic companies normally buying for foreign manufacturers or for shipment to foreign countries outside the Western Hemisphere. Small purchases for resale to the United Kingdom will be made from domestic dealers who were not given loans in 1939, in order to permit them to retain their export contacts. As in former years, the major part of the program will be conducted through purchases made for the Corporation through the buyers for foreign companies which are normally the heaviest purchasers of flue-cured for use outside the Western Hemisphere.

Producer loans offered for first time

This year, for the first time, Congress has required that loan offers be made to growers. Flue-cured growers who have cooperated with the marketing quotas will be eligible for loans at 85 percent of parity. Non-cooperators are eligible for loans at 60 percent of the above rate, that is, loans at 51 percent of parity. Producer loans will be based upon Government grades; and with a normal distribution of grades in the 1941 crop, the Commodity Credit Corporation programs will endeavor to maintain the season average price at about 19.6 cents, which is 85 percent of the June 1941 parity of 23.1 cents.

The administrative details of the producer loans have not been completely announced. Loans will be offered any producer or group of producers who arrange for the grading and prizing of their tobacco. Loans will not be available on warehouse floors.

Government grading to be extended

The number of flue-cured markets on which Government inspection (grading) is available will be increased this year. All tobaccos sold at auction on the designated markets will be inspected at Government cost. The new markets designated for the extension of inspection and market news service are: Hahira, Metter, and Statesboro, Georgia (type 14); Dillon, Loris, and Timmonsville, South Carolina (type 13); Robersonville, Tarboro, and Williamston, North Carolina (type 12); Fuquay Springs - Varina, North Carolina (type 11-b); Reidsville, North Carolina, and Danville, Virginia (type 11-a).

The question of the designation of these markets for grading service was decided by referenda held among the growers of each district on July 24-July 26. Over two-thirds of the growers voting in the respective districts having expressed a desire for the service, the Department of Agriculture is authorized to furnish the service without charge to growers.

Supply situation similar to that in 1940

The total supply of flue-cured will be about 145 million pounds larger than that of last year. The expected drop in production will probably be more than offset by an increase in stocks. It should be observed, however, that of the July 1 stocks this year, approximately 200 million pounds represent additions to Commodity Credit Corporation stocks made during the past year. Nevertheless, domestic stocks remain at a very high level, largely as a result of the record 1939 crop.

The smaller disappearance this year than last was due entirely to smaller exports. With increasing domestic consumption and continuance of restricted production, the domestic stocks situation is slightly better this year from a long-run point of view. At the present time, however, domestic manufacturers are evidently holding abnormally large stocks. They are probably holding a larger volume of usable, aged stocks as compared with domestic consumption than at any time since July 1, 1933.

Cigarette withdrawals again increase

For the 12 months ended June 30, 1941 tax-paid withdrawals of cigarettes, generally considered the best indicator of consumption, increased 6.8 percent over the year before. This compares with a 5.8 percent increase in 1939-40 over 1938-39. Present indications are for further increases in cigarette withdrawals, though perhaps the percentage increase will be smaller this year than last.

Manufactures of smoking tobacco, the next most important use for flue-cured, showed an increase of 2.6 percent. Small quantities of this type are used in plug chewing tobacco, the manufacture of which declined 1.7 percent in accord with the general downward trend in tobacco chewing.

Flue-cured tobacco: Exports from the United States to principal importing countries, total, July-December, 1938-40, and by months, January-June, 1939-41 1/

Year and month	Netherlands	Germany	Belgium	Scandinavia	Finland	Other	China	Australia	Canada	coun-tries	Total	
	1,000 pounds											
July-Dec.												
1938	187,659	3,625	1,347	2,761	3,417	728	7,021	2,726	25,220	10,127	1,382	10,530
1939	67,276	16,033	807	2,293	8,756	423	2,077	1,197	13,797	11,215	3,332	12,833
1940	27,346	—	—	—	—	461	139	1,164	10,823	1,711	422	12,914
Jan.	13,969	573	1,440	102	727	—	—	—	642	1,907	1,343	243
1940	9,554	598	—	445	1,128	—	180	243	6,618	6,176	398	2,606
1941	5,294	—	—	—	—	498	545	545	1,112	1,176	21	3,221
Feb.	14,183	276	424	136	1,820	—	—	342	240	9,717	889	147
1940	1,741	547	—	337	755	—	51	93	7,542	6	781	1,687
1941	1,135	—	—	—	59	—	—	386	3,688	163	82	4,763
Mar.	7,727	427	526	60	1,491	48	9	140	10,430	2,858	267	2,685
1939	8,296	1,036	—	545	77	—	73	311	9,082	2,830	953	3,579
1940	3,773	—	—	—	202	119	—	424	5,827	636	47	3,175
1941	2,358	657	521	52	531	202	—	173	1,218	1,937	209	2,025
Apr.	1939	2,759	221	—	75	—	—	58	1,956	2,192	—	423
1940	—	—	—	—	—	—	—	—	—	—	—	—
1941	4/	—	—	—	—	—	—	—	—	—	—	—
May	2,015	528	439	131	517	189	5	150	3,835	1,900	360	1,455
1940	4,520	75	—	—	—	—	125	48	12,921	—	435	2,555
1941	4/	—	—	—	—	—	—	—	—	—	—	—
June	1939	376	116	214	5	570	60	—	165	1,528	1,752	198
1940	2,781	—	—	3	—	250	59	124	6,768	521	25	2,349
July-June												5/
1938-39	228,309	6,202	4,971	3,267	9,073	1,227	7,377	4,236	53,655	20,806	2,606	20,371
1939-40	97,227	18,810	3,698	3,697	10,716	673	2,623	4,002	58,920	20,748	6,352	27,632
1940-41 4/	—	—	—	—	—	—	—	—	—	—	—	5/

Compiled from official records of the Bureau of Foreign and Domestic Commerce, Dept. of Commerce.

1/ For exports by months, July-Dec., 1938-40, see TS-16, p. 6. (Minor revisions have been made since monthly data were published.)

2/ Norway, Sweden, and Denmark.

3/ Including Hong Kong and Kwantung.

4/ Effective Apr. 1, 1941 - and as long thereafter as this measure in the interest of national defense remains in effect - no export data by countries of destination will be released.

5/ Not available at time of release of this Tobacco Situation.

Lend-Lease exports under way

The precipitous 2-year decline of flue-cured exports will probably be checked now that exports are being made under the provisions of the Lend-Lease Act. For the 11 months beginning July 1940, however, flue-cured exports decreased 49 percent as compared with the same period of the previous year.

Although shipments are reported to have increased during June, they will not radically change the 12-month export figures. Shipping difficulties continue to affect materially the volume of exports. However, it is hoped that shipments will remain on a substantial level for the remainder of the calendar year.

The Lend-Lease exports are being made from Commodity Credit Corporation stocks, which were originally graded and packed especially for British use. As of July 15, 1941 the Corporation held in purchases or loan collateral 149.2 million pounds of the 1939 crop and 199.6 million pounds of the 1940 crop. Tobacco now being shipped is from the 1939 crop, which has been aging for a year and a half.

Unofficial reports from the United Kingdom indicate that supplies of tobacco products are quite short relative to an increased demand, particularly for cigarettes. Popular British cigarette brands retail in the United Kingdom at about twice the price level of leading brands sold in the United States, and in spite of radically higher taxes, consumer demand has increased. Stocks of United States leaf in the United Kingdom are believed to be below a year's requirements. Since imports of Empire-grown tobacco were continued during the last 2 years, it is probable that an abnormally large proportion of the existing United Kingdom supply is Empire leaf.

Exports to the Far East, particularly to China, continued to decrease because of increased production of flue-cured in these countries, shortage of shipping space, and increasing Japanese control of markets. If present trends continue, exports to the Far East will decline further in the next few months.

Since April 1, 1941 no export data by countries have been released. This regulation applies to all commodities, and has been promulgated in the interest of national defense.

Oriental leaf stocks decline slightly

Stocks of foreign-grown cigarette and smoking tobacco, generally used for blending purposes in cigarettes, declined from 101.7 million pounds to 98.6 million pounds between January 1 and April 1, 1941. This was the first time these stocks declined during the first quarter of the year, normally a time when imports are heavier than disappearance. Although imports since April 1 have been substantial, stocks of foreign-grown cigarette leaf are now no greater than normal with the current level of cigarette manufacture.

Flue-cured tobacco: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1938-41 1/

Year	Production	Stocks, July 1	Total supply	Disappearance, year begin- ning July	Average price per pound
	: Million pounds	: Million pounds	: Million pounds	: Million pounds	Cents
Average					
1934-38	740.6	844.9	1,585.5	703.9	22.9
1938	785.7	954.5	1,740.2	793.9	22.2
1939	1,168.8	946.3	2,115.1	705.4	14.9
1940 2/	755.8	1,409.7	2,165.5	3/ 572.5	16.4
1941 4/	710.2	3/ 1,593.0	3/ 2,309.2	---	---

1/ Farm-sales-weight equivalent.

2/ Preliminary.

3/ Estimated.

4/ Indicated July 1.

BURLEY, TYPE 31

Smaller 1941 crop expected

The July 1 crop report indicates 1941 Burley production at 325.4 million pounds, a reduction of 13 percent from the 1940 crop of 375.5 million pounds. Acreage planted increased slightly to a total of 363,900 acres, somewhat below the Agricultural Adjustment Administration allotments under the marketing quota of 380,500 acres. The estimate of reduced production results wholly from the anticipated decline in yield per acre to 894 pounds from the 1940 record high of 1,042 pounds per acre. The current crop is reported to be in good condition, a favorable stand having been obtained in spite of spring droughts which delayed setting out plants in some areas. With favorable growing weather during the rest of the year, it is possible that the crop will be heavier than is now indicated.

Stocks up, leaving same supply

In spite of the indicated decrease in the current crop of about 50 million pounds, an expected increase in October 1 stocks of over 40 million as compared with a year earlier will leave the total supply about as large as in 1940. However, on this basis the current 1941 crop would be below disappearance for the first time since 1936.

Increasing cigarette consumption aids Burley

Continued increases in cigarette withdrawals have somewhat improved the general market situation of Burley, since approximately three-fifths of the crop generally goes into this use. A slight offsetting factor may be the sharp decrease this year in exports of Burley. After holding to a 10 to 11 million-pound level through 1939-40, the first year of the war, exports this

year are not expected to exceed 5 million pounds. However, by reason of their small size, Burley exports have only slight influence on the market for the crop as a whole.

Review of 1940 season

The 1940 Burley crop of 375,535,000 pounds was sold at an average price of 16.2 cents per pound, as compared with 396,320,000 pounds at a price of 17.3 cents in 1939. The value of the crop was \$60,730,000, almost 12 percent below the 1939 value of \$68,740,000. The loan program financed by the Commodity Credit Corporation resulted in the acquisition of 23,377,777 pounds of Burley, net-packed weight, on which the Commodity Credit Corporation disbursed \$4,261,820.60. By July 15, 9,277 pounds of the loan collateral had been released.

Analysis of the Burley graded in 1940 shows that 45.6 percent of the crop was graded as leaf as compared with 36.8 percent in 1939; 18.0 percent graded as lugs as compared with 26.6 percent in 1939. As to color, 42.2 percent of the crop graded tan this year, 53.1 percent last year; 43.0 percent of the 1940 crop graded red, 32.8 percent graded red in 1939. The leaf and tip grades, and dark colors, sold for less in 1940 than in 1939. As to quality, 24.0 percent of the crop graded good to choice, compared with 30.3 percent in 1939. 1/

Grading service may be extended

During the 1940 season the Government grading activities were increased throughout the Burley area. Nearly 37 percent of gross sales were graded, compared with 32 percent in 1939. Through recent Congressional action the Agricultural Marketing Service has been enabled further to extend its grading services in Burley districts. It is planned to hold referenda among growers this fall to determine whether Government grading shall be provided on all Burley markets.

Burley tobacco: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1938-41 1/

Year	Production	Stocks	Total	Disappearance	Average
	: : Million : pounds	: Oct. 1 : Million : pounds	: supply : pounds	: year begin- ning Oct. : Million : per pound	: price : per pound
Average					
1934-38	286.9	700.9	987.8	314.2	22.2
1938	339.4	660.7	1,000.1	316.0	19.0
1939	396.3	684.1	1,080.4	318.1	17.3
1940 <u>2/</u> ..	375.5	762.3	1,137.8	<u>3/</u> 332.8	16.2
1941	<u>4/</u> 325.4	<u>3/</u> 805.0	<u>3/</u> 1,130.4	---	---

1/ Farm-sales-weight equivalent. 2/ Preliminary. 3/ Estimated.

4/ Indicated July 1.

MARYLAND, TYPE 32

Prices much higher

Prices of the 1940 crop, now being sold, have averaged considerably higher than prices last year. The combined average of sales at Baltimore and on the auction floors is above 30 cents, the highest price received since systematic records by types have been kept.

Maryland tobacco: Exports from the United States to principal importing countries, by months, January-June, 1939-41

Year and month	France	Switz- er- land	Bel- gium	Nether- lands	Ger- many	Scandi- navia 1/	United King- dom	United Other Europe	Morocco, Algeria, Tunisia	Other coun- tries	Total
		1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	
Jan.											
1939	---	125	81	5	17	22	1	---	---	---	251
1940	16	312	44	14	---	21	9	---	56	22	494
1941	---	---	---	---	---	---	4	---	---	2/	4
Feb.											
1939	4	203	---	213	---	15	1	---	---	---	436
1940	---	29	---	37	---	32	---	---	29	---	127
1941	---	613	---	---	---	---	---	36	---	1	650
Mar.											
1939	30	348	49	294	15	1	---	---	---	---	737
1940	---	---	---	121	---	---	---	---	18	---	139
1941	---	133	---	---	---	---	2	---	---	1	136
Apr.											
1939	---	101	28	55	12	1	---	5	---	---	202
1940	29	153	---	9	---	---	---	---	---	---	191
1941 2/											15
May											
1939	---	16	9	338	7	3	2	8	---	---	383
1940	---	339	---	2	---	---	---	---	---	9	350
1941 2/											15
June											
1939	407	30	14	13	1	---	3	---	268	10	746
1940	---	---	---	---	---	---	---	7	---	---	7
1941 2/											4/
Jan.- June											
1939	441	823	181	918	52	42	7	13	268	10	2,755
1940	45	833	44	183	---	53	9	7	103	31	1,308
1941 2/											4/

Compiled from official records of the Bureau of Foreign and Domestic Commerce, Department of Commerce.

1/ Norway, Sweden, and Denmark.

2/ Less than 500 pounds.

3/ Effective April 1, 1941 -- and as long thereafter as this measure in the interest of national defense remains in effect -- no export data by countries of destination will be released.

4/ Not available at time of release of this Tobacco Situation.

The four southern Maryland auction markets at Upper Marlboro, Hughesville, La Plata, and Waldorf opened the marketing season on April 28. Over 75 percent of first-hand sales, April through June, of nearly 12 million pounds have gone over the auction floors. Approximately 37 percent of the reported 1940 crop of 31,920,000 pounds had been sold during this period.

Current crop slightly larger

The indicated 1941 crop as of July 1 is 33,235,000 pounds, which would be an increase of 1,315,000 pounds over 1940. There has been some increase in acreage, from 38,000 acres last year to 39,100 acres this year. An indicated yield of 850 pounds per acre compares with 840 pounds in 1940, and is the highest since the record yield of 875 pounds in 1920. The crop condition is considered good, and growth has been above normal.

Supply in 1942 will be larger

Because of an anticipated increase in stocks as of January 1, 1942, the supply next year probably will be somewhat larger than at the beginning of this year. Stocks have increased since the outbreak of the war, as a result of diminishing export demand and the virtual absence of significant foreign buying during the last 12 months. No change in the export situation is expected in the near future. For the first 5 months of this year exports totaled 819,000 pounds, as compared with 1,301,000 pounds in 1940 and 2,009,000 pounds in 1939. Statistics of exports by countries since March 1941 are not available.

Domestic demand strong

An inactive export market offset by an improved domestic demand has characterized this year's sales. The continued increases in cigarette withdrawals over last year's high level are a contributory factor, since about two-thirds of the Maryland crop is generally used in cigarettes. In trade circles manufacturers are said to be experimenting with new uses for Maryland, to take advantage of its burning qualities and the absence of a marked aroma and flavor of its own.

Maryland tobacco: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1938-41 1/

Year	: Stocks, Jan.:		Total supply	: Disappearance, : Average		
	: Production of following:			: following : price		
	: year : : calendar year : per pound					
	: Million	: Million	: Million	: Million		
	: pounds	: pounds	: pounds	: pounds	Cents	
Average						
1934-38	27.5	38.4	65.9	27.5	19.7	
1938	29.2	37.7	66.9	30.6	18.5	
1939	32.8	36.3	69.1	25.9	21.1	
1940 2/	31.9	43.2	75.1	3/ 29.1	20.5	
1941	4/ 33.2	3/ 46.0	3/ 79.2	---	---	

1/ Farm-sales-weight equivalent. 2/ Preliminary. 3/ Estimated.

4/ Indicated July 1.

FIRE-CURED AND DARK AIR-CURED TOBACCOS, TYPES 21-24 AND 35-37

Large acreage and production decreases in prospect

In line with marketing quotas approved by growers last November, the acreage planted to fire-cured and dark air-cured (types 35 and 36 only) tobaccos has decreased sharply. The consequent decline in production is augmented by present anticipations of smaller per-acre yields. Acreage and yields anticipated for Virginia sun-cured (type 37) are likewise down.

As of July 1, fire-cured production is expected to reach a low this year of 71,927,000 pounds, a decline of 31 percent from the crop last year of 103,481,000 pounds. This would be the smallest crop of these types produced since systematic records have been kept. The sharp curtailment in production will help materially in bringing fire-cured supply into better relation with shrinking export outlets for these types. This is a process of readjustment that has been going on for many years, the necessity for which has been particularly apparent since the outbreak of the war.

Fire-cured plantings this year have diminished to 86,100 acres, a 26-percent decline from the 117,150 acres in 1940. This compares with acreage allotments for this year under the marketing quotas of approximately 84,800 acres. Indicated yields this year are likewise down - 825 pounds per acre as compared with 883 pounds in 1940. Most of the reduction in yield has occurred in types 22-24, Kentucky-Tennessee fire-cured, where drought has retarded growth. Virginia fire-cured yields are only slightly down from last year.

Production of dark air-cured types 35 and 36 (One Sucker and Green River), now combined for purposes of agricultural adjustment, has declined to 28,636,000 pounds, a decline of 26 percent from the 1940 crop of 39,062,000 pounds. The acreage of types 35 and 36 for harvest this year is placed at 32,900 acres, 25 percent less than the 44,000 acres in 1940. Expected yields have declined to 870 pounds per acre as compared with 888 last year. Hence, most of the reduction has come through acreage plantings within the marketing-quota allotments of about 35,800 acres.

The small Virginia sun-cured crop - in 1940 only 3,150,000 pounds - shows a prospective further reduction this year to 2,480,000 pounds. Both acreage and yields per acre have declined, indicated yields showing a particularly marked drop from 875 pounds to 775 pounds.

Smaller crops leave expected supplies about same

The smaller crops of all dark fire-cured and dark air-cured types will just about offset expected increases in October 1 stocks as compared with a year ago. The total supply of fire-cured leaf is expected to be about 244.0 million compared with 245.1 million a year ago. All dark air-cured types combined will have a total supply of 110.1 million pounds as compared with 107.8 million in 1940.

In other words, currently, production is in line with disappearance. This is in marked contrast to the situation last year when production of

both fire-cured and dark air-cured was considerably larger than disappearance. Largely on account of further decreases in exports, disappearance continued to shrink this year, and greatly increased stocks have resulted.

Little change expected in outlets

Exports of all dark types are currently even smaller than the low levels reached a year ago. With the continued loss of almost all continental European markets, no immediate change in this situation is in view.

Snuff withdrawals, the most important indication of domestic consumption of fire-cured tobacco, show little change over a year ago. Likewise manufacture of chewing tobacco, the major domestic outlet for dark air-cured, remains almost stationary in spite of greatly increased consumer buying power. There is no reason to believe that these forms of tobacco use will be stimulated by domestic prosperity.

The grave problems of downward readjustment of dark tobacco production have for some years maintained interest in the possibility of increased byproduct use. These types are particularly suitable as a source for various nicotine compounds. The current increased use of various compounds to "fortify" or "enrich" bread have included the use of nicotinic acid. It has been hoped that this development may make a market for sizable quantities of the lowest priced leaf. The minimum requirement before flour can be considered "enriched" with respect to nicotinic acid will be 6 milligrams per pound of flour. This is at the rate of 1 pound of nicotinic acid for about 75,000 pounds of flour.

Review of 1940 season

With closing of type 23 sales on May 3 and of type 22 sales on May 21, the marketing of the 1940 fire-cured crop was completed. Type 21 sales ended March 13 and type 24 sales ended February 13. Sales of types 22 and 23 in April and May totaled about 7.2 million pounds, approximately 9 percent of the 1940 production of these types. The marketing season was longer than in 1939, no sales of these types having occurred in May last year. The final season average price for all fire-cured types combined was 9.3 cents per pound as compared with 10.5 cents in 1940. About 23 percent of the first-hand auction sales of fire-cured was delivered to the producer associations, which were financed by the Commodity Credit Corporation. In addition, there were one dealer purchase agreement and twelve dealer loans financed last year by the Corporation in dark-fired types. Approximately 9 percent of sales did not go over the auction floor, and of these country sales about 90 percent occurred during January. This compares with country sales of about 13 percent of the crop in 1939.

The last dark air-cured auction sale for the season took place on March 5. The final season average price for types 35-37 was 7.7 cents compared with 7.3 cents in 1939. The Commodity Credit Corporation financed producer associations operating on One Sucker and Green River markets. Almost one-fourth of all first-hand auction sales of these two types was delivered to the associations.

TS-19
 Fire-cured tobacco: Exports from the United States to principal importing countries,
 by months, October-December 1938-40, and January-June 1939-41.

Year and month	France	Fin- land	Bel- gium	United King- dom	Nether- lands	Ger- many	Switzer- land	Scandi- navia	Other countries	Total pounds
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Oct. 1938	70	12	372	59	1,969	245	1,016	1,774	230	356
1939	—	68	330	—	818	—	794	797	95	255
1940	—	47	—	18	—	—	—	—	26	302
Nov. 1938	—	—	653	68	1,182	458	215	924	162	576
1939	—	—	30	283	—	500	—	840	102	194
1940	—	—	—	—	62	—	—	1,367	—	247
Dec. 1938	—	—	—	360	332	146	227	319	132	163
1939	—	—	—	—	1	204	13	277	218	436
1940	—	—	—	—	—	114	—	—	1,217	1,744
Jan. 1939	—	229	—	—	253	336	164	268	676	97
1940	—	—	—	—	344	27	424	—	379	1,066
1941	—	—	—	—	66	116	—	—	—	53
Feb. 1939	—	4	7	42	502	52	75	144	37	45
1940	—	—	—	—	660	1	35	132	339	67
1941	—	—	7	—	—	—	—	663	435	1,261
Mar. 1939	—	5,537	—	469	—	—	—	320	139	271
1940	—	—	—	—	123	157	1,095	—	116	138
1941	—	—	—	—	—	323	—	—	72	48
Apr. 1939	—	3,291	5	339	465	510	93	338	40	127
1940	—	3,105	—	300	61	33	—	133	1,201	53
1941 2/	—	—	—	—	—	—	—	—	—	—
May 1939	—	5,889	—	292	482	127	115	43	790	394
1940	—	6,646	—	—	193	—	—	71	—	234
1941 2/	—	—	—	—	—	—	—	—	—	—
June 1939	—	3,558	25	414	122	36	112	7	304	538
1940	—	5,378	—	—	5	—	—	—	—	675
1941 2/	—	—	—	—	—	—	—	—	—	—

Compiled from official records of the Bureau of Foreign and Domestic Commerce, Dept. of Commerce.

1/ Norway, Sweden, and Denmark.

2/ Effective Apr. 1, 1941 - and as long thereafter as this measure in the interest of national defense remains in effect - no export data by countries of destination will be released.

2/ Not available at time of release of this Tobacco Situation.

Dark tobaccos: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1938-41 1/

TOTAL ALL DARK TOBACCOES						
Year	Production	Stocks October 1	Total supply	Disappearance, beginning October	Average price per pound	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Cents	
Fire-cured, types 21-24, and dark air-cured, types 35-37						
Average 1934-38	145.2	257.0	402.2	161.4	10.0	
1938	113.8	228.7	342.5	150.2	8.1	
1939	140.8	192.3	333.1	125.9	9.5	
1940 2/	145.7	207.2	352.9	3/100.9	8.8	
1941	4/102.1	3/252.0	3/354.1	---	---	
FIRE-CURED						
Total, types 21-24						
Average 1934-38	110.0	194.2	304.2	122.7	10.2	
1938	81.0	168.3	249.3	113.1	8.2	
1939	97.2	136.2	233.4	91.8	10.5	
1940 2/	103.5	141.6	245.1	3/ 72.1	9.3	
1941	4/ 71.0	3/173.0	3/244.0	---	---	
DARK AIR-CURED						
Total, types 35-37						
Average 1934-38	35.2	62.8	98.0	38.7	9.4	
1938	32.8	60.4	93.2	37.1	8.0	
1939	43.6	56.1	99.7	34.1	7.3	
1940 2/	42.2	65.6	107.8	3/ 28.8	7.7	
1941	4/ 31.1	3/ 79.0	3/110.1	---	---	
One Sucker, type 35						
Average 1934-38	16.6	30.8	47.4	17.8	8.9	
1938	15.8	33.6	49.4	20.5	5.9	
1939	22.3	28.9	51.2	19.3	6.5	
1940 2/	21.6	31.9	53.5	3/ 14.5	7.5	
1941	4/ 16.4	3/ 39.0	3/ 55.4	---	---	
Green River, type 36						
Average 1934-38	15.9	29.3	45.2	18.3	9.7	
1938	14.8	23.6	38.4	14.2	9.6	
1939	18.0	24.2	42.2	12.1	7.4	
1940 2/	17.5	30.1	47.6	3/ 11.6	7.6	
1941	4/ 12.2	3/ 36.0	3/ 48.2	---	---	
Va. sun-cured, type 37						
Average 1934-38	2.7	2.7	5.4	2.6	11.5	
1938	2.2	3.2	5.4	2.4	12.7	
1939	3.3	3.0	6.3	2.7	12.2	
1940 2/	3.1	3.6	6.7	3/ 2.7	9.3	
1941	4/ 2.5	3/ 4.0	3/ 6.5	---	---	

1/ Farm-sales-weight equivalent. 2/ Preliminary. 3/ Estimated.

4/ Indicated July 1.

CIGAR TOBACCO, TYPES 41-62

Slightly smaller 1941 crop indicated

The total 1941 production of all cigar leaf, indicated July 1, is 139,550,000 pounds - 3,475,000 pounds less than the 1940 crop. The filler and binder groups show decreases respectively of 914,000 pounds and 4,073,000 pounds, whereas the wrapper types show an increase of 1,512,000 pounds.

The 1941 Pennsylvania Seedleaf (type 41) crop of 51,765,000 pounds is 5.5 percent above the 1940 crop and is the largest crop of this type since 1925, when 56,379,000 pounds were harvested. Other filler types show decreased crops for 1941. Among the binder types a decrease of 3,880,000 pounds (19 percent) is indicated for southern Wisconsin (type 54). The 1941 crops of other binder types are not greatly different from those of 1940. A substantial increase in the 1941 crop is indicated for wrapper tobacco, as a result of increased acreages of both wrapper types and a substantial increase in the prospective yield of Connecticut Valley shade-grown (type 61).

Prospective supplies down slightly

Supplies of cigar leaf total 436,500,000 pounds compared with 441,800,000 in 1940. The filler supply is about 1 million pounds more than in 1940, whereas the binder group is 6 million pounds (3 percent) less. The wrapper supply is expected to be about 400,000 pounds less than in 1940.

Moderate increase in domestic consumption continues

Continued industrial expansion and employment have resulted in a continued increase in tax-paid withdrawals of cigars. During the year ended June 1941 tax-paid withdrawals totaled 5,708 million cigars, an increase of 3.5 percent over the 5,515 million consumed during the same period just preceding. This is the largest fiscal-year cigar consumption since the year ended June 1931, when withdrawals totaled 6,007 million cigars.

Production of scrap chewing tobacco continues to increase at a moderate rate. During the 10 months ended April 1941 production amounted to 35,892,000 pounds, an increase of 1.8 percent over the same period ended April 1940. Scrap chewing is widely used by workers in heavy industries.

Sumatra wrapper sold at Free Port of New York

Formerly American interests purchased Sumatra leaf at auctions held in Amsterdam and Rotterdam, the Netherlands. The first change from this method - resulting from the war - occurred when the American grades of the 1939 crop were sold at a series of four auctions in Medan, Sumatra during February and March 1940. Shipments were made directly to the United States from Sumatra.

Still another innovation in the sale of Sumatra wrapper took place when part of the 1940 crop was sold in the Free Port of New York (Free Trade Zone No. 1).^{2/} The first sales were opened on May 2, 1941 and were followed by sales on May 9 and 23, and June 13 and 20. Sales were concluded on July 2. American manufacturers and dealers purchased approximately 3,900,000 pounds at the six inscriptions (selling through brokers by means of sealed bids). About 2 million pounds of the higher grades were purchased by four large domestic cigar-manufacturing companies at prices averaging \$2.51 per pound. Dealers also purchased considerable quantities of the better grades for resale to smaller domestic cigar manufacturers. The average price for all grades was \$2.09 per pound.

Almost all of the leaf sold at the six inscriptions will be stored in the Free Trade Zone and imported into the United States as needed for manufacture. Some also will be exported to other markets. The first sales at the Free Port of New York were considered successful, and American grades of future Sumatra crops may be sold in the same manner.

Price received for 1940 crop, as whole, lower

All cigar leaf of the 1940 crop grown in the United States averaged 17.5 cents (June 1, 1941 estimate) compared with 18.7 cents for the 1939 crop. The 1940 filler crop averaged 12.0 cents, slightly above the average of 11.7 cents for the 1939 crop. The wrapper crop averaged 76.8 cents, 13.4 percent above the 1939 price of 67.7 cents. The 1940 Connecticut Valley shade-grown (type 61) crop - although portions were stained and torn by storm - developed into a crop of satisfactory quality. The smaller crop and good quality resulted in a price to growers of 78 cents per pound compared with 66 cents for the 1939 crop. The 5-year average price (1934-38) was 32.2 cents. The 1940 crop of Georgia-Florida shade-grown (type 62) averaged 75 cents per pound above the 1939 crop.

The binder crop, on the other hand, averaged 14.8 cents compared with 16.7 cents in 1939. Binder prices received for the 1940 crop are about the average for the past several years. The higher prices received for the 1939 crop appear to have resulted largely from Connecticut Valley and Wisconsin binder crops above average in quality.

2/ Foreign Crops and Markets, vol. 43, No. 2, July 14, 1941, pp. 36-40.

Cigar tobaccos: Domestic supplies, disappearance and season average price, average 1934-38, annual 1938-41 1/

Type and year	Production	Stocks Oct. 1	Total supply	Average price per pound	Beginning of Oct.	Disappearance	Pearl	Average price per pound
	: Million pounds	: Million pounds	: Million pounds	: Million pounds	: Million pounds	: Million pounds	: Million pounds	: Cents
Total filler, types 41-45 -								
Average 1934-38	: 44.6	159.9	204.5	50.0	10.4			
1938	: 45.6	149.4	195.0	53.1	12.3			
1939	: 62.7	141.9	204.6	53.6	11.7			
1940 3/	: 66.7	151.0	217.7	4/ 64.7	12.0			
1941	: 5/ 65.8	4/ 153.0	4/ 218.8	---	---			
Pennsylvania seedleaf, type 41 -								
Average 1934-38	: 28.7	100.4	129.1	30.0	11.2			
1938	: 31.8	99.7	131.5	34.1	13.6			
1939	: 44.9	97.4	142.3	36.2	12.9			
1940 3/	: 49.1	106.1	155.2	4/ 42.2	13.3			
1941	: 5/ 51.8	4/ 113.0	4/ 164.8	---	---			
Miami Valley, types 42-44 -								
Average 1934-38	: 14.8	57.8	72.6	19.1	17.3			
1938	: 12.3	48.0	60.3	18.3	15.0			
1939	: 16.5	42.0	58.5	15.9	8.4			
1940 3/	: 15.9	42.6	58.5	4/ 19.5	7.6			
1941	: 5/ 13.1	4/ 39.0	4/ 52.1	---	---			
Georgia-Florida sun-grown, type 45 -								
Average 1934-38	: 1.1	1.7	2.8	.9	13.2			
1938	: 1.5	1.7	3.2	.7	13.5			
1939	: 1.3	2.5	3.8	1.5	13.3			
1940 3/	: 1.7	2.3	4.0	4/ 3.0	14.9			
1941	: 5/ .9	4/ 1.0	4/ 1.9	---	---			

Continued-

Cigar tobaccos: Domestic supplies, disappearance and season average price, average 1934-38, annual 1938-41 1/ -Continued

Type and year					Disap-:
					pear-
	Pro-	Stocks:	Total	ance:	Average
	duc-	Oct. 1:	supply	year:	price
	tion:	2/		begin-	per
				ning	pound
				Oct.:	
	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Total binder, types 51-55 -					
Average 1934-38	: 41.4	165.1	206.5	60.0	12.5
1938	: 53.0	138.0	191.0	74.4	9.6
1939	: 61.6	116.6	178.2	43.3	16.7
1940 3/	: 67.0	134.9	201.9	4/ 68.9	14.8
1941	: 5/ 62.9	4/ 133.0	4/ 195.5	---	---
Connecticut Valley broadleaf, type 51 -					
Average 1934-38	: 11.1	35.5	46.6	13.5	17.8
1938 6/	: 9.1	34.8	43.9	16.0	15.0
1939	: 12.8	27.9	40.7	13.2	22.0
1940 3/	: 11.9	27.5	39.4	4/ 14.4	21.0
1941	: 5/ 13.9	4/ 25.0	4/ 38.9	---	---
Connecticut Valley Havana seed, type 52 -					
Average 1934-38	: 8.0	28.8	36.8	11.0	16.5
1938 6/	: 8.4	25.9	34.3	11.4	15.0
1939	: 13.6	22.9	36.5	11.9	24.0
1940 3/	: 15.8	24.6	40.4	4/ 18.4	21.9
1941	: 5/ 14.2	4/ 22.0	4/ 36.2	---	---
New York and Pennsylvania Havana seed, type 53 -					
Average 1934-38	: 1.1	2.3	3.4	1.2	10.0
1938	: 2.0	2.1	4.1	1.3	11.0
1939	: 2.1	2.8	4.9	1.7	10.8
1940 3/	: 2.2	3.2	5.4	4/ 2.4	12.0
1941	: 5/ 2.4	4/ 3.0	4/ 5.4	---	---
Southern Wisconsin, types 54 -					
Average 1934-38	: 12.5	62.5	74.8	21.6	7.6
1938	: 20.1	45.5	65.6	31.3	7.0
1939	: 18.7	34.3	53.0	9.4	10.8
1940 3/	: 20.1	43.6	63.7	4/ 27.7	8.5
1941	: 5/ 16.2	4/ 36.0	4/ 52.2	---	---
Northern Wisconsin, type 55 -					
Average 1934-38	: 8.9	36.0	44.9	12.7	9.6
1938	: 13.4	29.7	43.1	14.4	8.2
1939	: 14.4	28.7	43.1	7.1	13.8
1940 3/	: 17.0	36.0	53.0	4/ 6.0	11.7
1941	: 5/ 16.2	4/ 47.0	4/ 63.2	---	---

Continued-

Cigar tobaccos: Domestic supplies, disappearance and season average price, average 1934-38, annual 1938-41 1 -Continued

Type and year	Disap-:				
	pear- : Average				
	duc- : Oct. 1: Total : ance : price				
	tion : <u>2</u> : supply : year : per				
	: : begin- : ning : pound				
	: : : : Oct. :				
Total wrapper, types 61-62 -	Million : pounds	Million : pounds	Million : pounds	Million : pounds	Cents
Average 1934-38	: 8.4	10.7	19.1	8.9	78.3
1938	: 9.0	9.2	18.2	7.4	64.9
1939	: 11.4	10.8	22.2	9.3	67.7
1940 <u>3</u> /	: 9.3	12.9	22.2	4/ 11.2	76.8
1941	:5/ 10.8	4/ 11.0	4/ 21.8	---	---
Connecticut Valley shade-grown, type 61-:					
Average 1934-38	: 5.9	7.8	13.7	6.3	82.2
1938 <u>6</u> /	: 5.4	6.5	11.9	4.2	60.0
1939	: 8.6	7.7	16.3	6.5	66.0
1940 <u>3</u> /	: 5.5	9.8	15.3	4/ 7.3	78.0
1941	:5/ 7.3	4/ 8.0	4/ 15.3	---	---
Georgia-Florida shade-grown, type 62 -					
Average 1934-38	: 2.5	2.9	5.4	2.6	66.9
1938	: 3.6	2.7	6.3	3.2	71.5
1939	: 2.8	3.1	5.9	2.8	73.0
1940 <u>3</u> /	: 3.8	3.1	6.9	4/ 3.9	75.0
1941	:5/ 3.5	4/ 3.0	4/ 6.5	---	---

1/ Farm-sales weight. Rounded type figures do not check, in all cases, to those previously published because of rounding to add to the total for the class. In no case is the difference more than one point.

2/ Stocks held on farms not included; stocks for types 45 and 62 are as of July 1.

3/ Preliminary.

4/ Estimated.

5/ Indicated July 1.

6/ Production includes loss after harvest as a result of hurricane and flood, estimated as follows: Broadleaf (type 51) 3,820,000 pounds; Havana Seed (type 52) 1,547,000 pounds; and Shade (type 61) 588,000 pounds. These losses are included also in the 1934-38 average.

Production, stocks, supply, disappearance, and price of filler
tobacco, type 46, grown in Puerto Rico, 1935-40 1/

Year begin- ning July	Produc- tion	Stocks farm-sales weight 2/	Total supply	Disappear- ance	Price
	: Million pounds	: Million pounds	: Million pounds	: Million pounds	: Cents
1935	26.0	50.2	76.2	25.0	12.0
1936	35.0	51.2	86.2	29.7	14.0
1937	44.1	56.5	100.6	36.4	11.0
1938	11.7	64.2	75.9	28.5	18.0
1939 3/	18.4	47.4	65.8	18.2	14.0
1940 3/		47.6			

Compiled: Production and price from annual reports of the Governor of Puerto Rico; stocks from reports of the Agricultural Marketing Service.

1/ Production data are for the harvesting year beginning July and stocks are as of January 1 in the harvesting year.

2/ Including stocks held by dealers and manufacturers in the United States and on the Island of Puerto Rico. Stocks on the Island were not reported prior to January 1, 1936.

3/ Preliminary.

Consumption of cigars in the United States, 1928-40

Year beginning July		Class and price at which intended to retail					
	A	B	C	D	E	Total	
	5 cents and less	5.1-8 cents	8.1-15 cents	15.1-20 cents	20.1 cents and over		
	Millions	Millions	Millions	Millions	Millions	Millions	Millions
1928	3,746	640	2,309	148	29	6,872	
1929	3,879	496	2,088	137	25	6,625	
1930	3,930	324	1,626	108	19	6,007	
1931	3,880	71	1,115	69	10	5,145	
1932	3,738	39	653	49	6	4,485	
1933	4,106	42	578	44	5	4,775	
1934	4,297	69	509	39	4	4,918	
1935	4,561	61	508	39	4	5,173	
1936	4,912	55	568	42	5	5,582	
1937	4,731	56	532	39	5	5,363	
1938	4,872	47	494	36	4	5,453	
1939	4,944	43	487	36	5	5,515	
1940	5,107	43	514	39	5	5,708	

Compiled from tax-paid withdrawals in the United States (including tax-paid withdrawals of products from the Philippine Islands and Puerto Rico), reported in monthly statements of the Commissioner of Internal Revenue.

GENERAL STATISTICAL DATA

Tax-paid withdrawals of tobacco products, July-June, and production of manufactured tobacco July-April, in the United States, 1939 and 1940 1/

Products	Tax-paid withdrawals 12 months beginning July			Manufactured tobacco			Production 10 months beginning July		
	1939	1940	Change				1939	1940	Change
	Millions	Millions	Percent				pounds	pounds	Percent
Small cigarettes	177,684	189,747	+ 6.8	Smoking	.....	167,705	172,128	.....	+ 2.6
Large cigarettes	3	2	2/ -34.0	Plug	.....	41,505	40,811	.....	- 1.7
Large cigars	5,515	5,708	+ 3.5	Twist	.....	4,721	4,759	.....	+ 0.8
Small cigars	130	152	+16.9	Fine-cut	....	3,546	4,105	.....	+15.8
Snuff 3/	37,770	38,332	+ 1.5	Scrap chewing	.....	35,253	35,892	.....	+ 1.8
Manufactured tobacco 3/	302,073	305,083	+ 1.0						

1/ Tax-paid withdrawals include products from the Philippine Islands and Puerto Rico.

2/ Based on actual, not rounded, figures.

3/ Thousand pounds.

Exports of tobacco from the United States by types, export weight, 1939 and 1940

Type	8 months beginning October		
	1939	1940	Change
	1,000 lb.	1,000 lb.	Percent
Flue-cured 1/	239,328	122,263	-48.9
Burley	8,390	3,218	-61.6
Ky. and Tenn. fire-cured	22,473	9,772	-56.5
Va. fire-cured	3,493	2,264	-35.2
Maryland 2/	1,301	819	-37.0
One Sucker	2,040	1,051	-48.5
Green River	458	398	-13.1
Cigar leaf	426	451	+ 5.9
Perique	43	16	-62.8
Black fat, and dark African	4,353	2,623	-39.7
Stems	15,199	12,157	-20.0
Trimmings and scrap	569	378	-33.6

1/ 11 months beginning July.

2/ 5 months beginning January 1940 and 1941.

JULY 1941

- 24 -

Acreage and production of tobacco in the United States, by types, 1940 and 1941

Type	Acreage			Production		
	1940	1941	Change	1940	1941	Change
	1/	2/		1/	2/	
	1,000	1,000	Per- cent	Million	Million	Per- cent
	acres	acres		pounds	pounds	
Total flue-cured, types 11-14	736.0	3/ 747.7	+ 1.6	755.8	716.2	- 5.2
Old and Middle Belt, type 11	268.0	278.0	+ 3.7	247.5	244.3	- 1.3
Eastern North Carolina, type 12	245.0	245.0	0.0	274.4	257.3	- 6.2
South Carolina, type 13	139.0	141.0	+ 1.4	146.6	141.8	- 3.3
Georgia and Florida, type 14	84.0	83.7	- 0.4	87.3	72.8	- 16.6
Total fire-cured, types 21-24	117.2	3/ 86.1	- 26.5	103.5	71.0	- 31.4
Virginia, type 21	22.4	16.1	- 28.1	18.7	13.3	- 28.9
Ky. and Tenn., type 22	65.0	47.5	- 26.9	58.5	39.6	- 32.3
Ky. and Tenn., type 23	29.3	22.1	- 24.6	25.9	17.8	- 31.3
Henderson, type 24 . . . . .	.5	.4	- 20.0	.4	.3	- 25.0
Burley, type 31	360.5	3/ 363.9	+ 0.9	375.6	325.4	- 13.4
Maryland, type 32	38.0	39.1	+ 2.9	31.9	33.3	+ .4.4
Total dark air-cured, types 35-37	47.6	36.1	- 24.2	42.2	31.1	- 26.3
One Sucker, type 35	24.0	3/ 18.9	- 21.2	21.6	16.4	- 24.1
Green River, type 36	20.0	3/ 14.0	- 30.0	17.5	12.2	- 30.3
Va. sun-cured, type 37	3.6	3.2	- 11.1	3.1	2.5	- 19.4
Total cigar filler, types 41-45	51.0	50.4	- 1.2	66.7	65.8	- 1.3
Pa. Seedleaf, type 41	33.4	35.7	+ 6.9	49.1	51.8	+ 5.5
Miami Valley, types 42-44	16.2	13.8	- 14.8	15.9	13.1	- 17.6
Ga. and Fla. sun-grown, type 45	1.4	.9	- 35.7	1.7	.9	- 47.1
Total cigar binder, types 51-55	44.0	42.4	- 3.6	67.0	62.9	- 6.1
Conn. Valley Broadleaf, type 51	7.7	8.3	+ 7.8	11.9	13.9	+ 16.8
Conn. Valley Havana Seed, type 52	9.4	8.6	- 8.5	15.8	14.2	- 10.1
N.Y. and Pa. Havana Seed, type 53	1.7	1.8	+ 5.9	2.2	2.4	+ 9.1
Southern Wisconsin, type 54	13.6	11.6	- 14.7	20.1	16.2	- 19.4
Northern Wisconsin, type 55	11.6	12.1	+ 4.3	17.0	16.2	- 4.7
Total cigar wrapper, types 61-62	10.1	10.8	+ 6.9	9.3	10.8	+ 16.1
Conn. Valley Shadegrown, type 61	6.4	6.8	+ 6.2	5.5	7.3	+ 32.7
Ga. and Fla. Shadegrown, type 62	3.7	4.0	+ 8.1	3.8	3.5	- 7.9
Total, all types	1,404.4	1,376.5	- 2.0	1,452.0	1,316.5	- 9.3

1/ Preliminary.

2/ Acreage for harvest and production indicated July 1.

3/ Acreage allotments of the Agricultural Adjustment Administration are as follows: Flue-cured, 761,600 acres; Burley, 380,500 acres; fire-cured, 84,800 acres; dark air-cured (types 35 and 36 only), 35,800 acres.

Tobacco: Average yield per acre, by types, in the United States, 1920-41

Year	Flue-cured		Burley		Maryland		Fire-cured				Dark air-cured				Cigar leaf		
	types	type	types	type	types	type	Type	Type	Type	Type	Type	Type	Type	Type	types	leaf	
	11-14	31	32	31	32	21	22	23	24	25	26	27	28	29	41-65		
		Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	
Av. 1920-24		639	824	783	731	781	805	855	826	856	726	778	784	824	1,175		
1920	...	678	739	875	780	766	780	820	819	796	755	796	850	755	1,250		
1921	...	587	754	715	611	795	828	855	843	881	843	881	893	870	579	1,277	
1922	...	630	857	770	811	763	810	893	859	893	859	893	870	770	1,118		
1923	...	722	872	792	795	785	810	880	827	880	827	880	880	775	775	1,182	
1924	...	580	849	765	660	793	795	825	782	830	750	830	830	750	750	1,048	
Av. 1925-29		698	798	778	761	784	780	783	808	778	784	784	808	778	784	1,192	
1925	...	689	806	823	751	767	776	775	806	850	806	850	850	795	795	1,270	
1926	...	693	832	840	793	810	799	896	905	851	851	851	896	851	802	1,173	
1927	...	750	731	818	800	749	748	646	722	649	649	649	722	649	821	1,152	
1928	...	660	816	660	703	753	739	750	760	700	760	760	760	700	692	1,182	
1929	...	691	807	750	760	842	840	850	849	840	840	840	849	840	810	1,182	
Av. 1930-34		731	782	677	720	812	759	787	811	824	824	824	824	824	660	1,189	
1930	...	756	740	560	615	757	700	745	784	785	785	785	785	585	585	1,170	
1931	...	684	845	730	765	812	804	800	796	830	830	830	830	830	650	1,228	
1932	...	605	740	775	640	794	779	775	801	825	825	825	825	545	545	1,139	
1933	...	797	753	600	760	801	657	740	783	740	720	720	720	720	1,120		
1934	...	814	831	720	820	895	856	875	893	890	800	800	800	800	1,289		
Av. 1935-39		874	838	769	810	806	796	829	834	838	844	844	844	844	844	1,276	
1935	...	923	792	775	870	821	795	840	835	845	900	900	900	900	900	1,295	
1936	...	790	727	820	770	805	761	730	730	700	780	780	780	780	780	1,337	
1937	...	875	907	650	790	846	817	850	908	900	785	785	785	785	785	1,223	
1938	...	861	833	780	710	709	784	875	785	870	780	780	780	780	780	1,177	
1939	...	916	930	820	910	851	824	850	911	875	975	975	975	975	975	1,347	
1940 1/		1,027	1,042	840	835	900	884	850	898	875	875	875	875	875	875	1,361	
1941 2/		958	894	850	825	833	807	825	867	875	775	775	775	775	775	1,347	

Compiled, 1920-34, from First Annual Report on Tobacco Statistics, Statistical Bulletin No. 53; 1935-38, Annual Report on Tobacco Statistics, 1940; 1939-41, General Crop Report of the Agricultural Marketing Service, June 1941, and July 1941.

1/ Preliminary.

2/ Indicated July 1.

JULY 1941

- 26 -

Stocks of foreign-grown cigar-leaf tobacco, by types as reported combining unstemmed and stemmed, owned by dealers and manufacturers in the United States, quarterly, 1935-41

Year and type	Jan. 1	Apr. 1	July 1	Oct. 1
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
Total foreign-grown cigar leaf, type 80:				
1935 1/	10,232	10,044	10,610	11,965
1936	12,322	12,852	11,353	10,675
1937	10,223	10,344	10,022	10,305
1938	9,740	9,947	10,235	10,509
1939	10,418	10,571	11,350	12,577
1940	14,637	16,252	17,194	15,942
1941	15,876	17,241		
Cuba (Havana), type 81:				
1935 1/	---	---	---	8,980
1936	9,258	9,983	8,857	7,855
1937	7,179	7,495	7,100	6,874
1938	6,248	6,266	6,647	6,772
1939	5,987	6,289	6,418	6,633
1940	6,495	6,810	6,942	7,156
1941	7,139	8,140		
Sumatra and Java, type 82:				
1935 1/	---	---	---	1,660
1936	1,971	2,237	1,842	1,926
1937	2,328	1,904	1,812	1,744
1938	1,671	1,404	1,672	2,077
1939	2,247	1,879	2,494	3,021
1940	2,170	1,720	3,016	2,659
1941	2,435	3,362		
Philippine Islands (Manila), type 83:				
1935 1/	---	---	---	1,325
1936	1,093	585	645	873
1937	700	827	1,087	1,672
1938	1,807	2,263	1,898	1,646
1939	2,181	2,245	2,280	2,913
1940	5,969	7,654	7,164	6,054
1941	6,197	5,712		
Other foreign-grown cigar leaf, type 84:				
1935 1/	---	---	---	---
1936	---	47	29	21
1937	16	28	23	15
1938	14	14	18	14
1939	3	158	158	10
1940	3	68	72	73
1941	105	27		

Compiled from quarterly stocks reports of the Agricultural Marketing Service.

1/ Prior to October 1935, stocks of foreign-grown cigar-leaf tobacco were not reported separately.

Stocks of foreign-grown cigarette and smoking tobacco, owned by dealers and manufacturers in the United States, as reported combining unstemmed and stemmed, quarterly, 1932-41

Year and type	Jan. 1	Apr. 1	July 1	Oct. 1
	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>
Type 90:				
1932	62,520	36,526	80,597	71,873
1933	68,383	91,109	86,179	76,807
1934	74,034	80,477	77,816	68,313
1935	69,200	82,643	76,209	66,480
1936	65,873	82,900	73,885	62,646
1937	54,561	78,105	69,591	59,873
1938	70,366	92,396	82,603	70,228
1939	86,239	108,128	101,530	92,655
1940	116,574	118,528	112,420	106,257
1941	101,733	98,583		

Annual Report on Tobacco Statistics, 1940, p. 69, and brought to date from quarterly stocks reports of the Agricultural Marketing Service.

JULY 1941

- 28 -

United States exports of tobacco to principal importing countries,
by types, 1938-40 1/

FLUE-CURED, TYPES 11-14

Importing country	1938	1939 2/	1940 2/
	1,000 pounds	1,000 pounds	1,000 pounds
United Kingdom	228,310	97,226	
China 3/	53,854	58,921	
Australia	20,805	20,748	
Canada	2,806	6,353	
Netherlands	6,202	18,810	
Netherlands Indies	2,025	4,531	
Germany 4/	4,972	808	
Japan	0	0	
Ireland (Irish Free State)	7,377	2,623	
British India	3,623	3,788	
Belgium	3,267	3,697	
British Malaya	0	5	
New Zealand	3,264	5,615	
Philippine Islands	992	2,060	
Ceylon	944	817	
Finland	1,228	673	
Egypt	1,795	1,701	
Siam	3,471	2,823	
Argentina	804	1,224	
Other countries	16,762	19,785	
Total	362,501	252,208	

VIRGINIA FIRE-CURED, TYPE 21

United Kingdom	1,238	197
Netherlands	1,013	608
Belgium	212	175
Norway	2,953	665
Germany 4/	1,002	0
Australia	213	63
Denmark	128	111
Sweden	739	638
Algeria and Tunisia	0	0
Argentina	50	121
Liberia	78	62
French Africa 5/	283	114
New Zealand	337	301
Canada	27	23
Portugal	218	339
British West Africa 6/	4	2
China	0	0
France	846	0
Other countries	754	505
Total	10,095	3,924

Continued -

United States exports of tobacco to principal importing countries,
by types, 1938-40 1/ - Continued

KENTUCKY AND TENNESSEE FIRE-CURED, TYPES 22, 23, AND 24

Importing country	1938 1,000 pounds	1939 2/ 1,000 pounds	1940 2/ 1,000 pounds
France	17,733	15,129	.....
Spain	981	10	....
Belgium	4,224	1,865	....
Germany 4/	1,668	0	....
United Kingdom	1,626	672	....
Netherlands	5,873	2,309	....
Poland and Danzig	287	0	....
Argentina	293	817	....
Sweden	3,017	1,461	....
Italy	229	89	....
Portugal	943	521	....
Spanish Africa 7/	441	293	....
Switzerland	3,327	2,529	....
Denmark	1,498	532	....
Algeria and Tunisia	696	601	....
Ireland (Irish Free State)	372	366	....
Norway	625	115	....
French Africa 5/	747	443	....
Egypt	280	494	....
British West Africa 6/	117	208	....
Other countries	1,443	1,647	....
Total	46,420	30,101	....

BURLEY, TYPE 31

Belgium	1,404	683	....
Portugal	2,307	3,782	....
Netherlands	1,415	831	....
Germany 4/	572	0	....
Algeria and Tunisia	61	5	....
Italy	321	709	....
Denmark	1,330	163	....
Australia	265	67	....
France	418	0	....
United Kingdom	343	568	....
Newfoundland and Labrador	391	704	....
Argentina	134	172	....
Norway	704	262	....
Switzerland	60	43	....
Sweden	620	637	....
Mexico	147	135	....
Canada	8	53	....
Philippine Islands	16	4	....
Egypt	37	53	....
Other countries	712	1,215	....
Total	11,265	10,086	....

JULY 1941

- 30 -

United States exports of tobacco to principal importing countries,
by types, 1938-40 1/ - Continued

MARYLAND, TYPE 32 8/

Importing country	1938	1939 2/	1940 2/
	1,000 pounds	1,000 pounds	1,000 pounds
France	633	523	45
Switzerland	1,997	2,483	1,792
Belgium	327	382	44
Netherlands	648	2,432	183
Denmark	172	101	52
Austria 4/	0	0	0
Germany 4/	86	57	0
Italy	7	0	0
Morocco	19	14	17
Algeria and Tunisia	394	284	85
Other countries	226	56	74
Total	4,509	6,332	2,292

ONE SUCKER, TYPE 35

Belgium	1,580	1,512
British West Africa 6/	27	111
Trinidad and Tobago	32	66
French Africa 5/	34	11
Liberia	26	17
United Kingdom	1	47
Other countries	99	338
Total	1,799	2,102

GREEN RIVER, TYPE 36

United Kingdom	1,869	260
Belgium	158	23
Ireland (Irish Free State)	46	162
British West Africa 6/	31	40
French Africa 5/	50	30
Netherlands	0	0
Other countries	28	54
Total	2,182	569

CIGAR LEAF, TYPES 41-62

Philippine Islands	379	427
France	698	0
Canada	49	20
Netherlands	19	42
Belgium	12	5
United Kingdom	25	0
Other countries	9/ 1,735	73
Total	2,917	567

Continued -

United States exports of tobacco to principal importing countries,
by types, 1938-40 1/ - Continued

BLACK FAT, WATER BALER, AND DARK AFRICAN 10/

Importing country	1938	1939 2/	1940 2/
	1,000 pounds	1,000 pounds	1,000 pounds
British West Africa <u>6/</u>	3,235	2,711	
French Africa <u>5/</u>	3,200	1,651	
Spanish Africa <u>7/</u>	97	89	
Portuguese Africa <u>11/</u>	274	241	
British Guiana	151	150	
Liberia	253	174	
French West Indies	160	153	
Germany <u>4/</u>	0	0	
British West Indies <u>12/</u>	143	103	
Other countries	261	260	
Total	7,774	5,532	

PERIQUE

United Kingdom	102	10
Canada	29	27
Netherlands	<u>13/</u>	2
Belgium	<u>13/</u>	0
Germany <u>4/</u>	0	0
China	0	0
Other countries	33	12
Total	164	51

STEMS, TRIMMINGS, AND SCRAP

Germany <u>4/</u>	59	0
China	25,955	19,072
Sweden	1,605	1,096
Netherlands	15	20
Belgium	41	21
Other countries	761	697
Total	28,436	20,906

Continued -

JULY 1941

- 32 -

United States exports of tobacco to principal importing countries,
by types, 1938-40 1/ - ContinuedCompiled from Monthly Summary of Foreign Commerce of the United States
and official records of the Bureau of Foreign and Domestic Commerce,
Export weight.1/ This table revises and brings to date the exports published in the
January 1941 Tobacco Situation (TS-17 pp. 32-36). The statistics are on
the basis of crop years which are as follows: Flue-cured, year begin-
ning July; Maryland, year beginning Jan. of year following production;
all other types, year beginning Oct. These figures do not include ship-
ments to Puerto Rico; no shipments were made to Alaska and Hawaii.2/ Preliminary.3/ Includes Hong Kong and Kwantung.4/ Beginning May 5, 1938, the United States trade with Germany includes
Austria; for comparable figures in earlier years and Austria and Germany.5/ Exclusive of Algeria, Tunisia, and Madagascar.6/ Includes Gold Coast, Nigeria, and other British West Africa.7/ Includes Canary Islands.8/ Includes Eastern Ohio, type 71.9/ Includes 1,682,000 pounds to Germany.10/ Black Fat, Water Baler, and Dark African are composed principally of
fire-cured and One Sucker tobacco, which have been treated with oils and
greases, packed in boxes, bales, and tierces, and subjected to heavy
pressure. Approximate percentages are two-thirds One Sucker and one-third
fire-cured. In some cases a small amount of flue-cured might be substi-
tuted for that portion of one of the other types.11/ Exclusive of Mozambique.12/ Exclusive of Bermuda, Barbados, Jamaica, Trinidad, and Tobago.13/ Less than 500 pounds.United States exports and shipments of tobacco products to
noncontiguous territories, 1934-39

Year beginning	Cigarettes	Cigars and cheroots	Plug	Smoking	Other manu- factured
July	Millions	Millions	1,000 lb.	1,000 lb.	1,000 lb.
1934	4,619	11	1,787	2,136	220
1935	5,393	14	1,925	2,067	244
1936	6,586	21	2,159	1,901	461
1937	7,405	22	2,228	1,661	866
1938	7,860	18	2,099	1,759	1,008
1939	8,871	19	2,097	1,820	1,247

Compiled from Monthly Summary of Foreign and Domestic Commerce of the
United States.

United States imports of tobacco by countries, and shipments from noncontiguous territories, 1934-39 1/

Class and country from which imported	Year beginning July					
	1934	1935	1936	1937	1938	1939 2/
	: 1,000 : pounds	: 1,000 : pounds	: 1,000 : pounds	: 1,000 : pounds	: 1,000 : pounds	: 1,000 : pounds
Cigar wrapper:	:					
Netherlands	1,911	1,750	2,695	1,518	3/ 796	0
Netherlands Indies	0	1	0	0	3/1,003	2,059
Cuba	110	139	211	183	186	153
Other countries	0	4/	4/	0	0	0
Total	2,021	1,890	2,906	1,701	1,985	2,212
Cigar leaf (filler):	:					
Unstemmed:	:					
Cuba	4,191	5,234	4,419	3,487	2,250	2,259
United Kingdom	0	0	0	0	0	0
Other countries	4/	1	1	0	0	3
Total	4,191	5,235	4,420	3,487	2,250	2,252
Stemmed:	:					
Cuba	6,465	9,285	6,448	6,598	7,604	8,918
Puerto Rico	16,645	18,616	18,984	16,376	15,530	12,551
Other countries	0	0	0	0	0	63
Total	23,110	27,901	25,412	22,974	23,134	21,532
Cigarette leaf:	:					
Greece	17,959	19,006	20,233	18,628	18,982	17,297
Italy	5,882	5,985	4,577	753	652	667
Turkey in Europe and Asia	12,425	13,982	19,799	20,509	27,592	26,144
Belgium	994	1,231	635	1,133	228	41
Germany 5/	28	162	300	664	494	4/
Egypt	183	26	16	18	11	4
United Kingdom	205	191	395	19	16	120
Bulgaria	4/	2	301	1,522	2,637	2,367
Palestine and Syria	166	312	622	994	1,357	1,453
Netherlands	739	391	51	37	9	0
Malta, Gozo, and Cyprus	30	230	57	10	0	0
Other countries	27	20	49	540	805	1,827
Total	33,638	43,538	47,035	44,827	52,783	49,920
Stems, scraps, and trimmings:	:					
Cuba	2,876	3,423	2,465	2,836	3,019	3,264
United Kingdom	1,742	1,767	1,818	1,628	1,532	1,145
Philippine Islands	2,169	2,370	3,423	5,395	5,093	11,596
Puerto Rico	3,320	4,541	4,616	4,328	7,678	4,536
Other countries	137	387	794	1,549	1,819	1,332
Total	10,283	12,488	13,116	15,731	19,141	21,893

Compiled from official records of the Bureau of Foreign and Domestic Commerce.

1/ Imports for consumption. 2/ Preliminary. 3/ Six-months figure; July-Dec. 1938, imported from the Netherlands; during Jan.-June 1939, imports were made directly from the Netherlands Indies. 4/ Less than 500 lb. 5/ Beginning May 6, 1938, the United States trade with Germany includes Austria; for comparable figures in earlier years add Austria and Germany.

Flue-cured Tobacco: Supply and Price in the United States, 1920-40

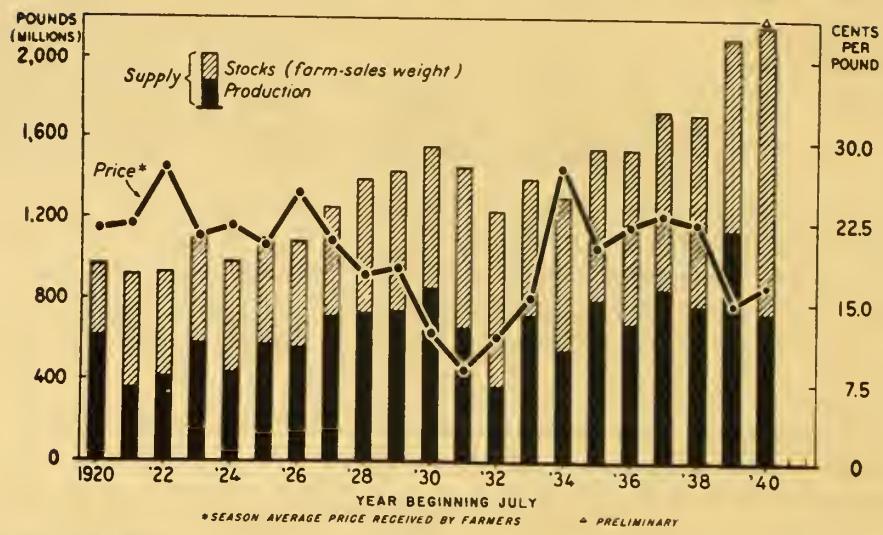


FIGURE 1.—NORMALLY A CHANGE IN THE SUPPLY OF FLUE-CURED TOBACCO RESULTS IN A PRICE CHANGE IN THE OPPOSITE DIRECTION. THIS WAS THE CASE IN NEARLY ALL THE YEARS INCLUDED IN THIS CHART, BUT IN SOME YEARS THE EFFECTS OF SUPPLY CHANGES WERE OFFSET BY CHANGES IN GENERAL ECONOMIC CONDITIONS OR BY OTHER FACTORS. IN 1933, FOR EXAMPLE, NOTWITHSTANDING A MATERIALLY LARGER SUPPLY, THE PRICE INCREASED SUBSTANTIALLY, AND IN 1934 THE INCREASE IN PRICE WAS OUT OF PROPORTION TO THE MODERATE DECREASE IN SUPPLY. THE RECORD 1939 SUPPLY, TOGETHER WITH REDUCED EXPORT OUTLETS, RESULTED IN A PRICE OF 14.9 CENTS PER POUND. IN 1940 SUPPLIES WERE SLIGHTLY LARGER IN SPITE OF THE SMALLER CROP. THE HIGHER 1940 PRICE OF 16.4 CENTS PER POUND WAS ACHIEVED WITH THE AID OF COMMODITY CREDIT CORPORATION PURCHASES AND LOANS.

Flue-cured Tobacco: Exports from the United States, 1923-40

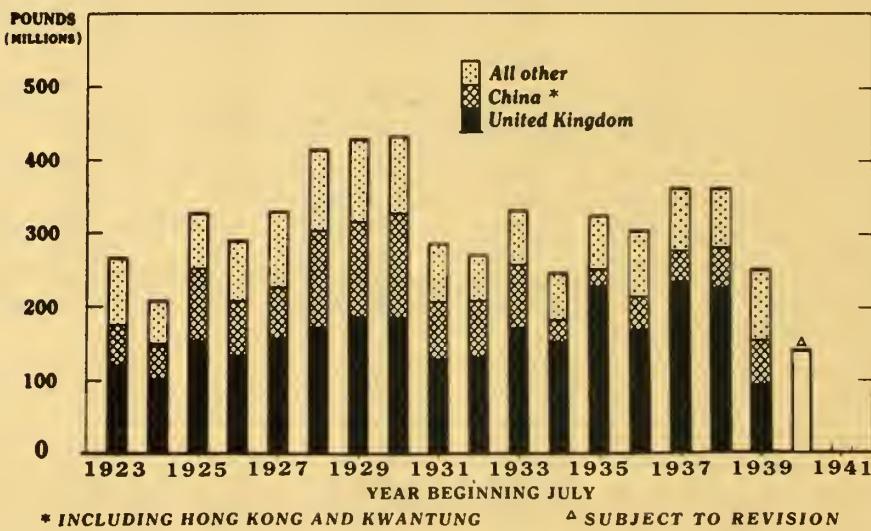
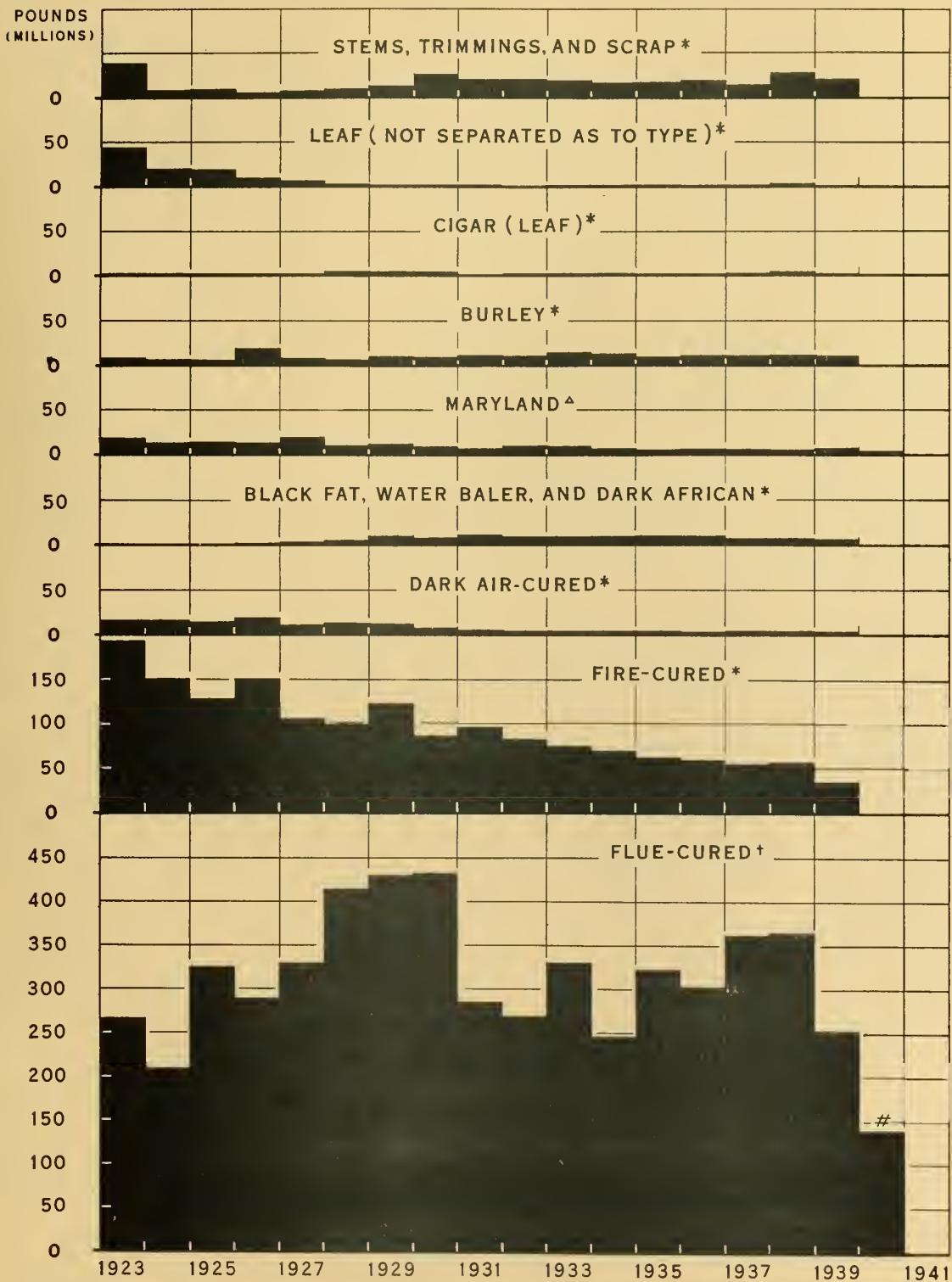


FIGURE 2.—EXPORTS OF FLUE-CURED TOBACCO HAVE BEEN MATERIALLY AFFECTED IN RECENT YEARS BY TRADE BARRIERS AND BY INCREASED COMPETITION FROM FOREIGN-GROWN FLUE-CURED. IN 1939 AND 1940 THE SPREAD OF THE WAR ADVERSELY AFFECTED UNITED STATES EXPORTS TO EUROPEAN MARKETS. PARTICULARLY IMPORTANT WAS THE BRITISH GOVERNMENT'S WITHHOLDING OF EXCHANGE FOR THE PURCHASE OF AMERICAN TOBACCO. RECENTLY THIS SITUATION HAS BEEN FAVORABLY MODIFIED BY THE EXPORT OF TOBACCO UNDER THE LEASE-LEASE ACT. EXPORTS BY COUNTRIES FOR 1940 ARE NOT AVAILABLE.

TOBACCO: EXPORTS FROM THE UNITED STATES, BY TYPES, 1923-40



* YEAR BEGINNING OCTOBER

▲ YEAR BEGINNING JANUARY FOLLOWING PRODUCTION

† YEAR BEGINNING JULY

SUBJECT TO REVISION

U.S. DEPARTMENT OF AGRICULTURE

NEG. 34594

BUREAU OF AGRICULTURAL ECONOMICS

FIGURE 3

UNIVERSITY OF FLORIDA



3 1262 08902 2858